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MARKET ANALYSIS - September 11, 2003

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Traders and analysts have been swapping predictions about the Thursday USDA report all week with the vast majority expecting reductions in corn and soybean production. The prices therefore incorporated these expectations so anything other than big drops was going to shoot the futures prices downward. The USDA does have a track record of cutting the corn estimates in the September report, having done so in 14 of the last 20 years. Soybean estimates have been cut in 11 of the last 20. The numbers did surprise, no shock, most traders and analysts when the soybean numbers were revised downwards to 2.643 billion bushels – a reduction of 219 million bushels from the August estimate and less than even the more bullish forecasts – futures reacted by heading sharply higher. This smaller crop means a much tighter carryover figure with ending stocks put at 135 million bushels revised downward from the August estimate of 220 million bushels and way below the ending stocks for 02/03 of 145 million bushels. In export news – the soybean export projections were reduced by 60 million bushels to 940 million – about 100 million bushels less than the U.S. sold in 02/03. This didn't offset any of the excitement. Tight stocks of beans, firm cash markets and zero deliveries in the September contract should continue to hold the market up too. Corn futures also rose slightly even though the crop estimate of 9.944 billion bushels was above the average trade estimate and the U.S. carryout is expected to be greater than 1 billion bushels as well in 2003/04. So, the slight rise in futures was driven only by spillover pressure from the bean pit. Export sales do remain supportive at 920,400 tons over the week – way above trade guesses of the 600-900,000 ranges. Like the soybean market farmer sales remaining low are keeping the cash market firm and deliveries are also zero in the nearby contract, which will keep things supported for a while. Wheat also enjoyed some spillover from soybeans but the USDA left the production and supply/demand outlooks unchanged from August. Wheat ending stocks are up to 649 million bushels. Export sales were supportive however – 658,100 tons – at the top end of the 500-700,000 expectation range.

BASIS TABLE

LOCATION	CORN BASIS		SOYBEA	N BASIS	WHEAT BASIS		
	CASH(Sept	NEW(Dec03)	CASH(Aug03)	NEW(Nov03)	CASH(Sept03)	NEW(Jul03)	
Western MD	+52	N/A	-28	N/A	-25	N/A	
Central MD	+31	Even	-52	-46	-31	-12	
Southern MD	+7	-5	-50	-30	-45	-30	
Upper E. S	+7	-5	-50	-30	-45	-30	
Lower E. S	+15	+3	-41	-21	-40	-25	

WEEKLY CROP WEATHER SUMMARY

MARYLAND AGRICULTURAL STATISTICS

Cloudy days with continued rain showers resulted in 3.1 days suitable for field work for the week ending September 7, 2003. Air temperatures ranged in the 80's for highs and the 70's for lows. Maryland farmers received an average of 1.4 inches of rain last week with the Lower Eastern Shore and parts of Western Maryland receiving in excess of 2 inches. Corn is beginning to dry down as half of the crop is now in the dent stage of development. Over 10 percent of the corn silage has been harvested. This is 59 percent behind last year and 30 percent behind the five-year average. Soybeans are filling pods and will start to turn color in the next few weeks. Weeds are becoming a problem in hay fields.

CASH GRAINS - REG	IONAL - (\$/b	ou) DEALE	RS AVERAGI	E CASH QUO	OTES			
Grade and #2 Y Shelled Commodity Corn			#2 Yellow Soybeans		#2 Red Winter Wheat		#3 Barley	
Date	9/03	9/10	9/03	9/10	9/03	9/10	9/03	9/10
Western Md	2.87	2.87	5.72	5.89	3.30	3.20	2.20	2.20
Central MD	2.86	2.66	5.66	5.65	3.56	3.14	1.98	1.98
Southern MD	2.54	2.42	5.51	5.67	3.05	3.00	1.50	1.50
Upper E. Shore	2.59	2.47	5.51	5.67	3.05	3.00	1.60	1.60
Lower E. Shore	2.59	2.50	5.61	5.76	3.14	3.05	1.56	1.50

Soybean Meal	Lower Eas	stern Shore	Dealer's Average Cash Quotes (\$/ton)			
Date	9/03	9/10	Date	9/03	9/10	
48% Sovbean Meal	243.00	251.00	44% Sovbean Meal	221.00	239.00	

FORWARD CONTRACT PRICE-REGIONAL (\$/bu) For Harvest delivery Dealer's Avg Quote

Grade and Commodity	#2 Y Shelled		#2 Yellow Sovbeans		#2 Red Winter Wheat		#2 Daylon	
Date	Corn 9/03 9/10		9/03 9/10		9/03 9/10		#3 Barley 9/03 9/10	
Date	2/03	9/10	9/03	9/10	9/03	9/10	9/03	9/10
Western Md								
Central MD	2.45	2.42	5.34	5.51	3.15	3.18		1.95
Southern MD	2.39	2.37	5.51	5.67	3.05	3.00		
Upper E Shore	2.39	2.37	5.51	5.67	3.05	3.00		
Lower E Shore	2.47	2.45	5.61	5.76	3.06	3.05	1.45	1.40

GRAIN FUTURES - Chicago Board of Trade (cents/bu) -Sep 11, 2003

Corn		Soybeans		Wheat		Soybean Meal ¹	
Sept	235.00	Sept	616.50	Sept	345.00	Sept	205.60
Dec	242.25	Nov	596.50	Dec	357.75	Oct	187.90
Mr04	249.25	Ja04	599.00	Mr04	367.25	Dec	186.60
May	252.00	Mar	594.75	May	354.75	Ja04	186.40
Jul	254.00	May	585.25	Jul	330.25	Mar	185.30
Sept	247.00	Jul	584.00			May	183.00

^{1 \$/}ton

HAY AND STRAW	/ (\$/cwt)						
New Holland, PA -	\$/ton - Sept 08, 200	03 - 70 Loads					
Alfalfa 65.00-195.00		Mix 0-225.00	Timothy 110.00-185.00	Orchardgrass 85.00-145.00	Straw 75.00-170.00		
Westminster, MD -	- \$/bale - Sept 09, 2	003 -150 Lots					
Alfalfa 1.30-4.30	Alfalfa Mixed 2.20-4.90	Timothy 2.00-4.20	Timothy Mixed 1.60-2.90	Grass Strav 1.60-3.60 1.10-2.			
POULTRY (Grade	A) - Week Ending	Sept 13, 2003 - N	Negotiated Price, (\$/cv	wt)			
•	Curre	ent Week	Week Ago	Month Ago	Year Ago		
NY Wtd Avg. (Fryer	rs) 5	8.71	57.48	59.56	48.50		
12-City Composite	6	3.61	64.18	62.96	56.19		
LAMBS - Westmin	ster, MD - \$/cwt -	Sept 08, 2003					
Ch	100-125 lbs	87.00- 91.00		Sheep 37 hd	44.00-64.00		
	80-100 lbs	95.00-112.00					
	60- 80 lbs	95.00-115.00	1				
TERMINAL MARK				T HOGS - Westminster, M			
Base Price Range (\$/			•	& 2 240-270 lbs	38.00-39.00		
a.m. Eastern Cornbelt	Base 185 lb		<u>\$</u>	& 3 220-250 lbs	36.00-38.00		
	52.00-62.0 51.00-59.5		1 Millshore DF Ma	arket Hogs - (\$/cwt) -	Next Sale Sept 16		
Iowa, Minn		50 17.70-32.92	+ Millisboro, DE Mia	rket Hogs - (5/cwt) -	Next Sale Sept 16		
FEEDER PIGS - (\$ Gumboro, DE -	8/cwt) -		New Holland, PA	A _			
· · · · · · · · · · · · · · · · · · ·	end:		Head: None		ve Immediately		
11	Next Sale Sept 1	6		andated to go to slaughter			
	rient bate bept 1	O .	reported				
CATTLE-LIVE FU	TTURES-Chicago	Mercantile Exchan	•	UTURES-Chicago Mercan			
(\$/cwt) - Sept 10, 20		canthe Dathan	(\$/cwt) - Sept 10		Daenunge		
Sept	89.50 Fb0 ²	81.70	Oct	59.22 Apr	59.85		
Oct	86.80 Apr	79.27	Dec	58.35 May	63.20		
Dec	84.07		Fb04	58.52 Jun	65.40		
STOCKER-FEEDE	,	cwt)					
Winchester, VA - S	•		Westminster, MD	- Sept 08, 2003			
Steers	300-400 lbs	103.00-107.00	Steers	200- 400 lbs	95.00-109.00		
	400-500 lbs	100.50-107.25		400- 500 lbs	86.00-106.00		
	500-600 lbs 600-700 lbs	93.50-105.00 88.00- 99.00		500- 600 lbs	83.00- 99.00		
	700-800 lbs	89.00- 95.50	Heifers	300- 500 lbs	78.00- 86.00		
	800-900 lbs	83.00- 84.00		500- 700 lbs	70.00- 79.00		
Heifers	300-400 lbs	93.25- 99.25		700- 900 lbs	65.00- 78.00		
	400-500 lbs	85.00- 93.50		900-1050 lbs	62.00- 72.00		
	500-600 lbs	82.00- 93.00	Hols Bulls returning		130.00-166.00		
	600-700 lbs 700-800 lbs	80.00- 88.25 76.00- 86.00	#1 #2	95- 115 lbs 95- 120 lbs	95.00-127.00		
	800-900 lbs	75.00- 80.50	π2	80- 88 lbs	50.00-127.00		
			Hols Heifers #1	80- 105 lbs	380.00-405.00		
				80- 125 lbs	200.00-350.00		
Lamarida M. T.	Hand 0 37° 4	Vaal-E-3° C	Beef X Bulls & He	eifers 80- 110 lbs	120.00-142.00		
Lancaster, New Ho	lland & Vintage - V 90-120 lbs			00 100 11	00 00 142 00		
Bull, Holstein Heifers, Hols	90-120 lbs 90-120 lbs	112.00-169.00 385.00-500.00	Plainer Plainer	90- 120 lbs 90- 120 lbs	80.00-142.00 270.00-430.00		
SLAUGHTER CAT		202.00-200.00	riamer	90- 120 IOS	4 / U.UU-43U.UU		
Westminister, MD							
Fed Steers	•		Fed Heifers				
H-Ch-Pr	1200-1475 lbs		0 H-Ch-Pr	1100-1400 lbs	90.00-95.00		
Ch 2-4	1050-1475 lbs			1050-1200 lbs	84.00-87.00		
L Ch H-Ch-Pr Hols	1200-1500 lbs	77.00-85.50 75.00-80.00		900-1100 lbs	65.00-69.00		
L-Ch	1200-1300 109	69.00-74.00		90- 110 lbs	30.00-50.00		
Cows		07.00-74.00		70- 90 lbs	20.00-30.00		
Breakers		45.00-50.00					
Boners		43.00-47.50					
Lean		35.00-43.00					
Thin & Light		34.00-DOV					
Lancaster, New Hol	lland & Vintage - V						
Steers, Choice, 2-3		1135-1495 lbs	90.00-96.00	Mostly \$3 - \$6 higher			
Heifers, Choice 980-1290 lbs				Mostly \$3 - \$5 higher			
Heifers, Choice	10	980-1290 lbs	89.50-92.50	•			
Heifers, Choice Cows, Breakers 75-8	0 pct lean		49.50-53.25	Firm to \$3 higher			
Heifers, Choice	•	980-1290 lbs 1190-2085 lbs 65- 125 lbs		•			

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